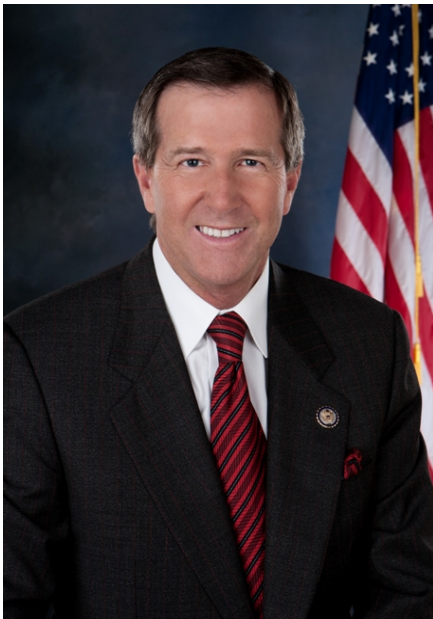


The Housing Finance Reform Act

H.R. 1859: A Brand New System

Thank you for visiting the resource guide I've designed to help you better understand the Housing Finance Reform Act. The purpose of this page is to explain both the need for a completely new housing finance system in this country and introduce you to the plan I've proposed.



Why is housing finance reform so important? Housing is an enormous sector of our economy. We never go into recession without housing leading us in. And, we never come out without housing recovering. Arguably, part of the reason that our current economic recovery is so tepid is because the housing recovery is very weak. When you consider the construction of new houses, the sales of existing houses, the construction and remodel and renting of apartments, the home improvement industry

and so forth, it represents a tremendous amount of employment, economic activity and is fundamental to a standard of living. And, none of it moves without adequate financing. Hardly anyone buys, builds or improves a house or apartment paying cash. Pretty much everyone needs to borrow some money.

For these reasons, I've proposed a new system that replaces the unlimited government guarantee of Fannie Mae and Freddie Mac with multiple private companies competing in the marketplace. There would be a catastrophic government guarantee of their securities, not of the companies themselves, moving us away from "too big to fail" institutions. The taxpayers would be protected by the judgment of a highly independent regulator and several layers of private capital. This bill is not only the right way to fix the problem, but also happens to be a solution that falls directly in the political center of the issue, making it very attractive to broad, bipartisan support. We know this legislation has the support it needs to become law by the end of this session, but we still have work to do in order to get it there."

Please spend some time reviewing the information below and make sure to use the ["Contact John"](#) link at the bottom of the page to send me your questions, thoughts, and ideas.





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